

Software May Eat the World, but You Still Need a Fork



Matt Verlinich

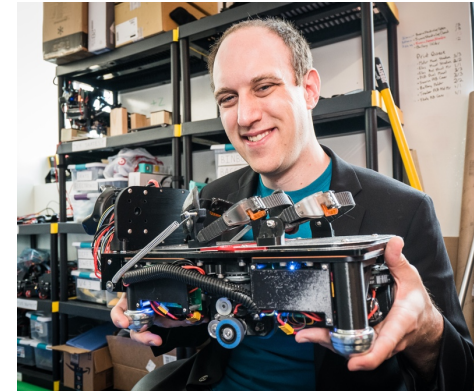
🌀 Manufacturing Program Associate – Innovation Works

- 🌀 Manage Scalable Innovation Program
- 🌀 Connect entrepreneurs to manufacturing resources
- 🌀 Manage IAP & MIP Grants



Innovation Works

A **nationally-recognized venture development** organization focused on growing Southwestern Pennsylvania's entrepreneurial economy through **direct investment, business expertise, and hands-on support.**



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Decentralized Delivery Allows Regional Focus

Statewide Benjamin Franklin Technology Partners (BFTP) Impact in 2018

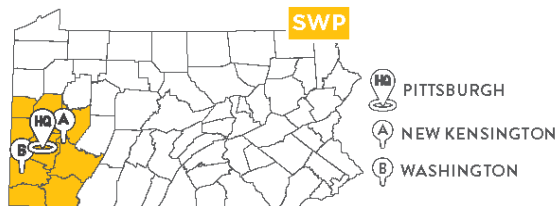
2,016 Jobs Created

11,595 Jobs Retained

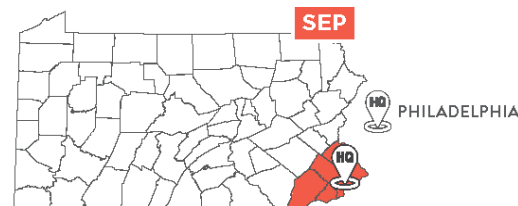
2,041 Cos Assisted

155 New Companies

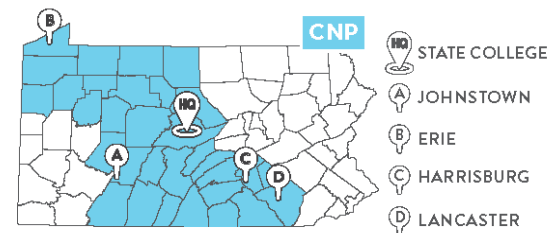
BFTP Statewide Locations



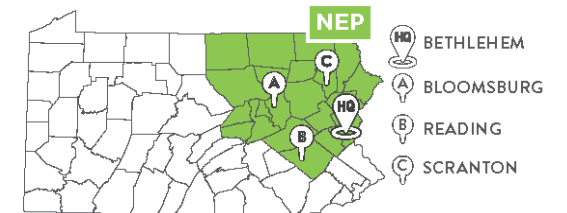
SOUTHWESTERN PA
WWW.INNOVATIONWORKS.ORG



SOUTHEASTERN PA
WWW.SEP.BENFRANKLIN.ORG



CENTRAL & NORTHERN PA
WWW.CNP.BENFRANKLIN.ORG



NORTHEASTERN PA
WWW.NEP.BENFRANKLIN.ORG

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IW Provides Critical Resources to the Region's Startup Community

475+ Cos

Funded since
Oct. 1999

#1 Ranked

Seed-stage investor
nationally in 2018 by # of
investments

\$3.3 Billion

Annual revenue generated by
IW alumni companies

1,140 Cos

Companies have received
business/financial
assistance since 1999

\$2.1 Billion

Total follow-on funding to IW
companies since 1999

#6 Ranked

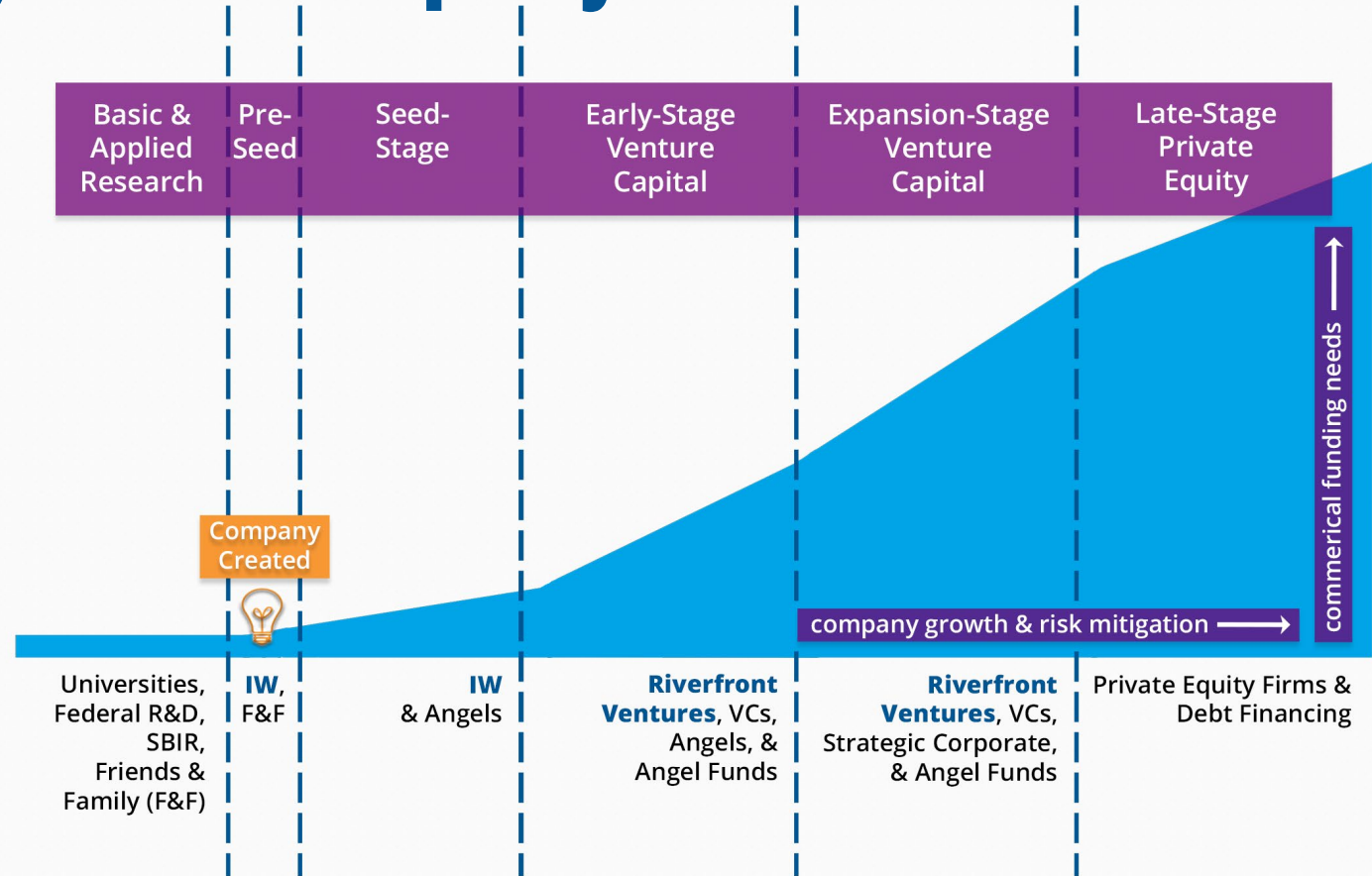
Accelerator program in
the United States

70%+ of venture deals in the region are IW companies.

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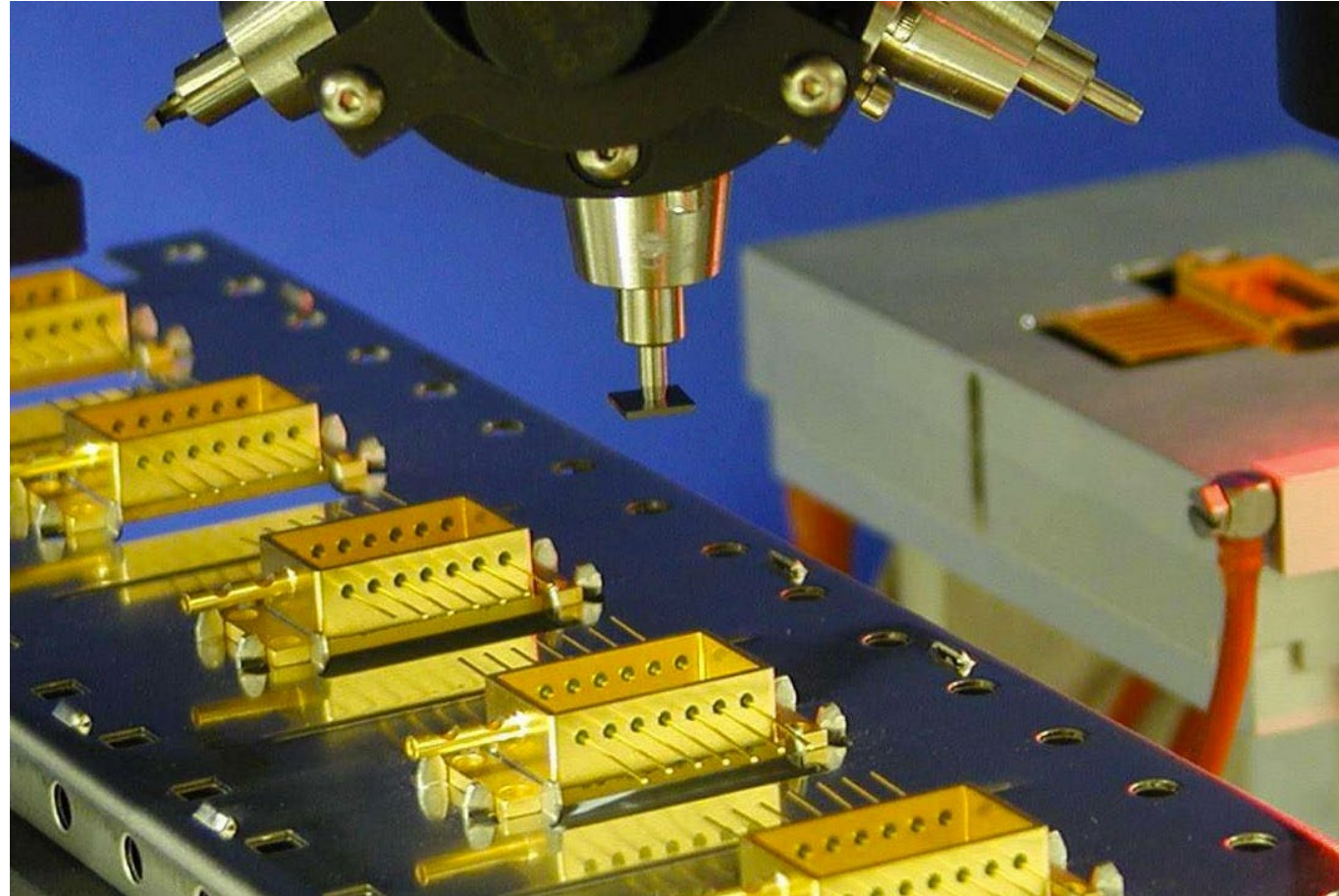
IW Provides Critical Resources at Key Stages of Company Growth



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What hardware used to be...



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 innovation works



VC.

Hardware
Startup

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 innovation works

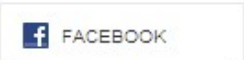
The Hardware Revolution

The New York Times

The screenshot shows a New York Times article page. At the top left, the 'THE V' logo is visible, along with 'TECHNOLOGY' and 'For Entrepreneurs'. A 'VB' logo is also present. The main headline reads 'SILICON VALLEY BUSINESS' and 'BUSINESS INSIDER'. The article title is 'At an Annual Tech Show, It's Hardware's Turn in the Spotlight', dated 'Apr 25, 2012'. The author is 'By Luke'. The article text begins with 'For years, startups mostly build a physical product. In November, startups...'. A large image shows a man in a black shirt pointing at a computer monitor displaying a 3D model of a pink flower. The man is looking intently at the screen. The background shows a tech show environment with other people and equipment.

By NICK BILTON
Published: August 25, 2012

In recent years, Silicon Valley seems to have forgotten about silicon.



Building a Successful HW Company

1. Customer Validation
2. Product/Market Fit
3. Company & Team Building
4. Investor Buy In

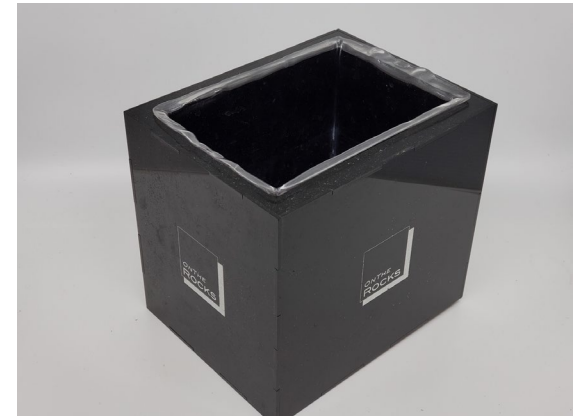
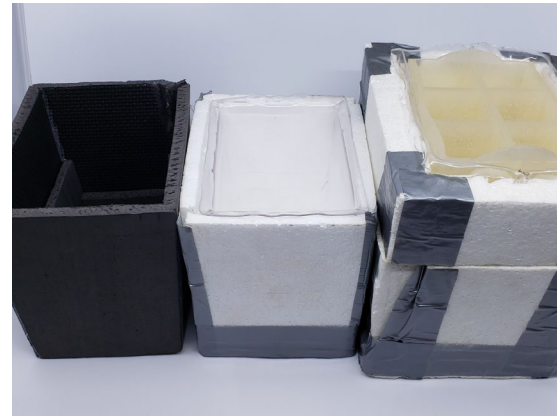
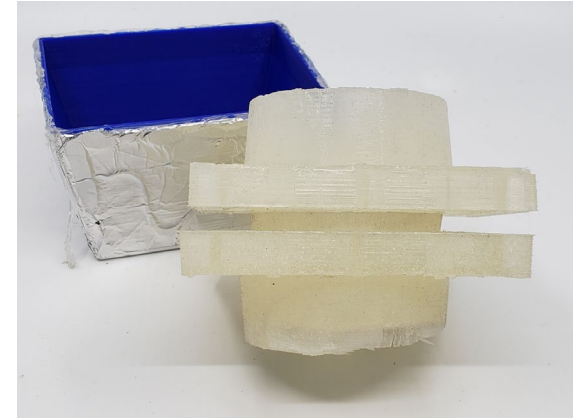
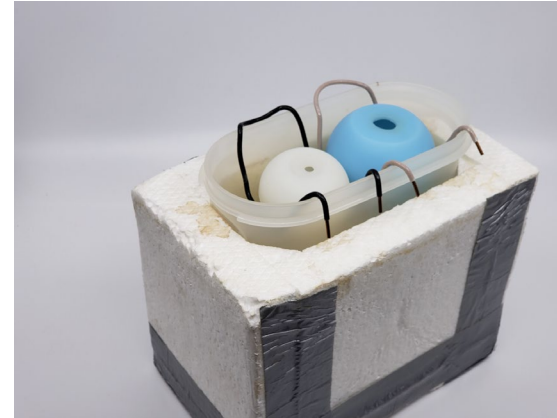
Smart Prototyping

🌀 Fake it until you make it

🌀 “works-like” vs. “looks-like” vs. MVP

🌀 One hypothesis at a time

🌀 Ugly & Fast beats Beautiful & Slow



Successful Products Start Simple

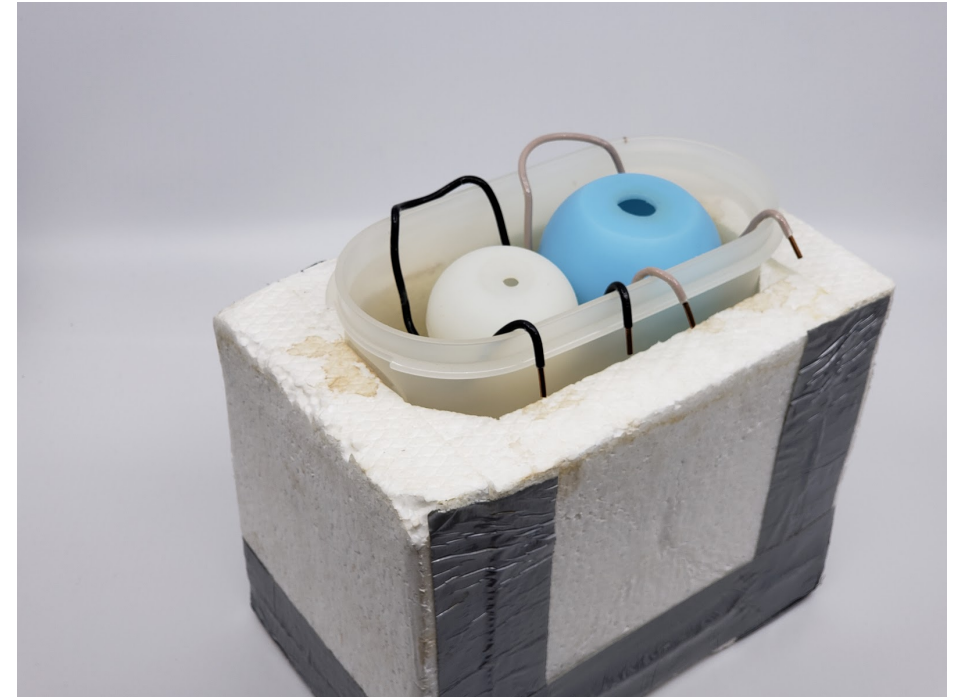
- 🌀 **1st iPhone - iPod with up/down/left/right buttons**
- 🌀 **1st Fitbit - single pedometer, not wireless, no subscription revenue**
- 🌀 **1st DropCam - overpriced IP camera that was easier to use and had better software**

Crowdfunding Tips

- 🌀 Key to success is before the launch
- 🌀 Nail down 50%+ of total raise before launch
- 🌀 Everyone wants to back a winner
- 🌀 Your competitors are watching

Supply Chain Hacks

- Shop outside the box
- Ride high volume product coattails
- Alibaba & Other Online Matchmakers
- Never, ever be the guinea pig



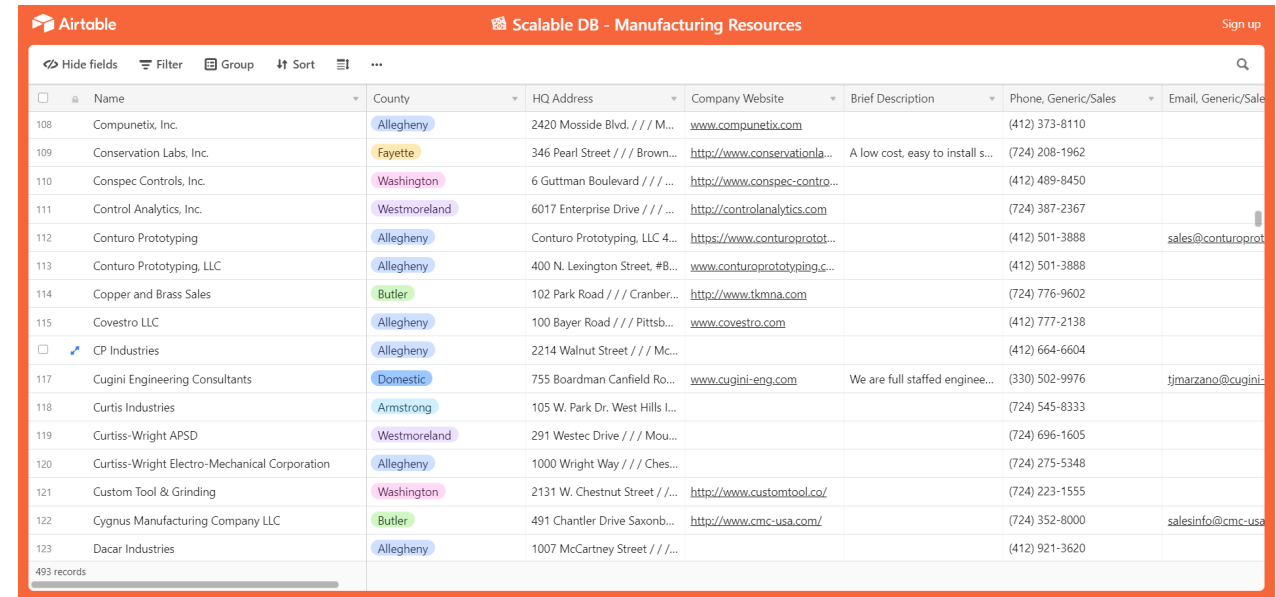
Choosing a Manufacturing Partner

🌀 New Factory or New Product – Not both

🌀 Involve factory early – DFM

🌀 Small production runs to start,
increase slowly

🌀 1st Production Run....be there in person



	Name	County	HQ Address	Company Website	Brief Description	Phone, Generic/Sales	Email, Generic/Sale
108	Compunetix, Inc.	Allegheny	2420 Mosside Blvd. / / / M...	www.compunetix.com		(412) 373-8110	
109	Conservation Labs, Inc.	Fayette	346 Pearl Street / / / Brown...	http://www.conservationla...	A low cost, easy to install s...	(724) 208-1962	
110	Conspec Controls, Inc.	Washington	6 Guttman Boulevard / / / ...	http://www.conspec-contro...		(412) 489-8450	
111	Control Analytics, Inc.	Westmoreland	6017 Enterprise Drive / / / ...	http://controlanalytics.com		(724) 387-2367	
112	Conturo Prototyping	Allegheny	Conturo Prototyping, LLC 4...	https://www.conturoprotot...		(412) 501-3888	sales@conturoprotot...
113	Conturo Prototyping, LLC	Allegheny	400 N. Lexington Street, #B...	www.conturoprototyping.c...		(412) 501-3888	
114	Copper and Brass Sales	Butler	102 Park Road / / / Cranber...	http://www.tkmna.com		(724) 776-9602	
115	Covestro LLC	Allegheny	100 Bayer Road / / / Pittsb...	www.covestro.com		(412) 777-2138	
	CP Industries	Allegheny	2214 Walnut Street / / / Mc...			(412) 664-6604	
117	Cugini Engineering Consultants	Domestic	755 Boardman Canfield Ro...	www.cugini-eng.com	We are full staffed enginee...	(330) 502-9976	tjmarzano@cugini-
118	Curtis Industries	Armstrong	105 W. Park Dr. West Hills L...			(724) 545-8333	
119	Curtiss-Wright APSD	Westmoreland	291 Westec Drive / / / Mou...			(724) 696-1605	
120	Curtiss-Wright Electro-Mechanical Corporation	Allegheny	1000 Wright Way / / / Ches...			(724) 275-5348	
121	Custom Tool & Grinding	Washington	2131 W. Chestnut Street / / ...	http://www.customtool.co/		(724) 223-1555	
122	Cygnus Manufacturing Company LLC	Butler	491 Chantler Drive Saxonb...	http://www.cmc-usa.com/		(724) 352-8000	salesinfo@cmc-usa...
123	Dacar Industries	Allegheny	1007 McCartney Street / / / ...			(412) 921-3620	

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 innovation works

Design for Manufacture in the U.S.

 Can be Lower Cost!

 Time to Market

 Inventory Carrying Costs

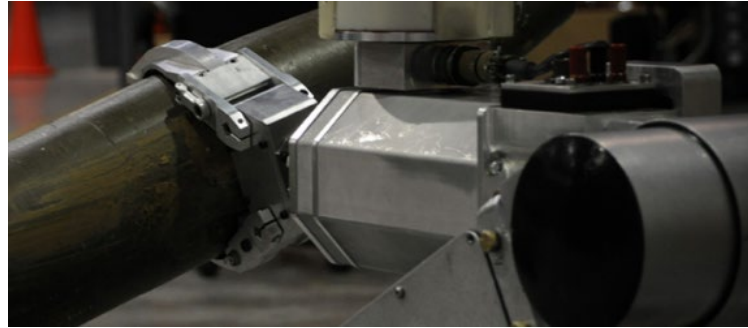
 Quality Control & IP Protection

Distribution Amplifies Every Choice

- ⦿ Price high to start
- ⦿ Do things that don't scale...in the beginning
- ⦿ Engineering:Software => Marketing:Hardware

PROFIT  **CASH**

Regional Manufacturing Assets



- Over 8000 Manufacturers in the region
- Skilled Advanced Manufacturing Work Force
- Infrastructure to support new manufacturers
- Leading research universities and other technology institutions

Industry Diversity



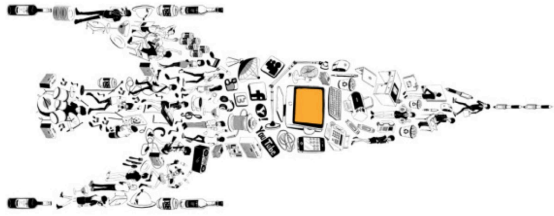
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#1 City in World for HW

- 🌀 Regional Support for Manufacturing
- 🌀 Experience working with early stage products
- 🌀 Local Skilled Workers

PITTSBURGHERS KNOW HOW TO MAKE STUFF



What is an accelerator?

Philosophy

- Accelerate market learning through rapid iteration and testing early products with customers

Unique Model

- Focus on customer development intertwined with product design and development
- Mentorship, Education
- Community, Networking
- Funding
- Space

AlphaLab

- Founded Feb 2008 to build and accelerate Pittsburgh's software/Internet ecosystem

Leverage national and local trends

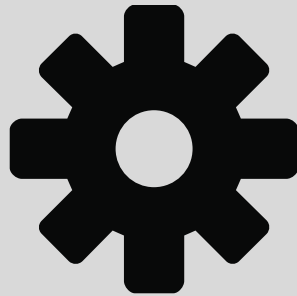
- Decreasing cost to build software products
- Agile development techniques

Charter member of Global Accelerator Network

#6 ranked accelerator nationally



The proven methodology of Agile Innovation applied to the specific needs of hardware startups



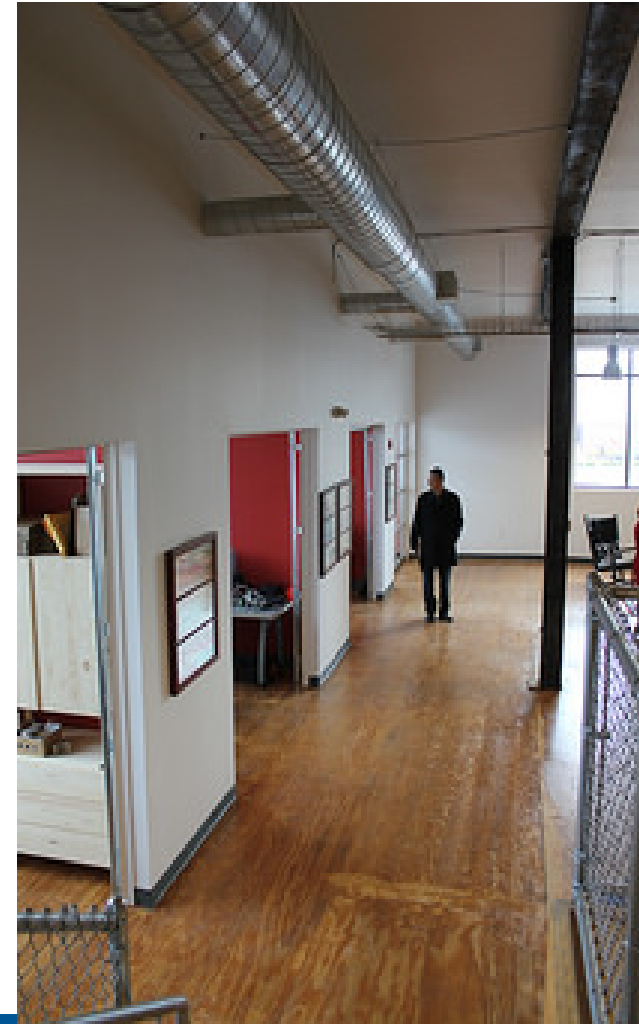
8-month program in our East Liberty workspace

Targeted mentorship and assistance with prototype development, engineering, user testing, design for manufacturing, supply chain management, and sales

Access to prototyping and manufacturing equipment and software



Office Space

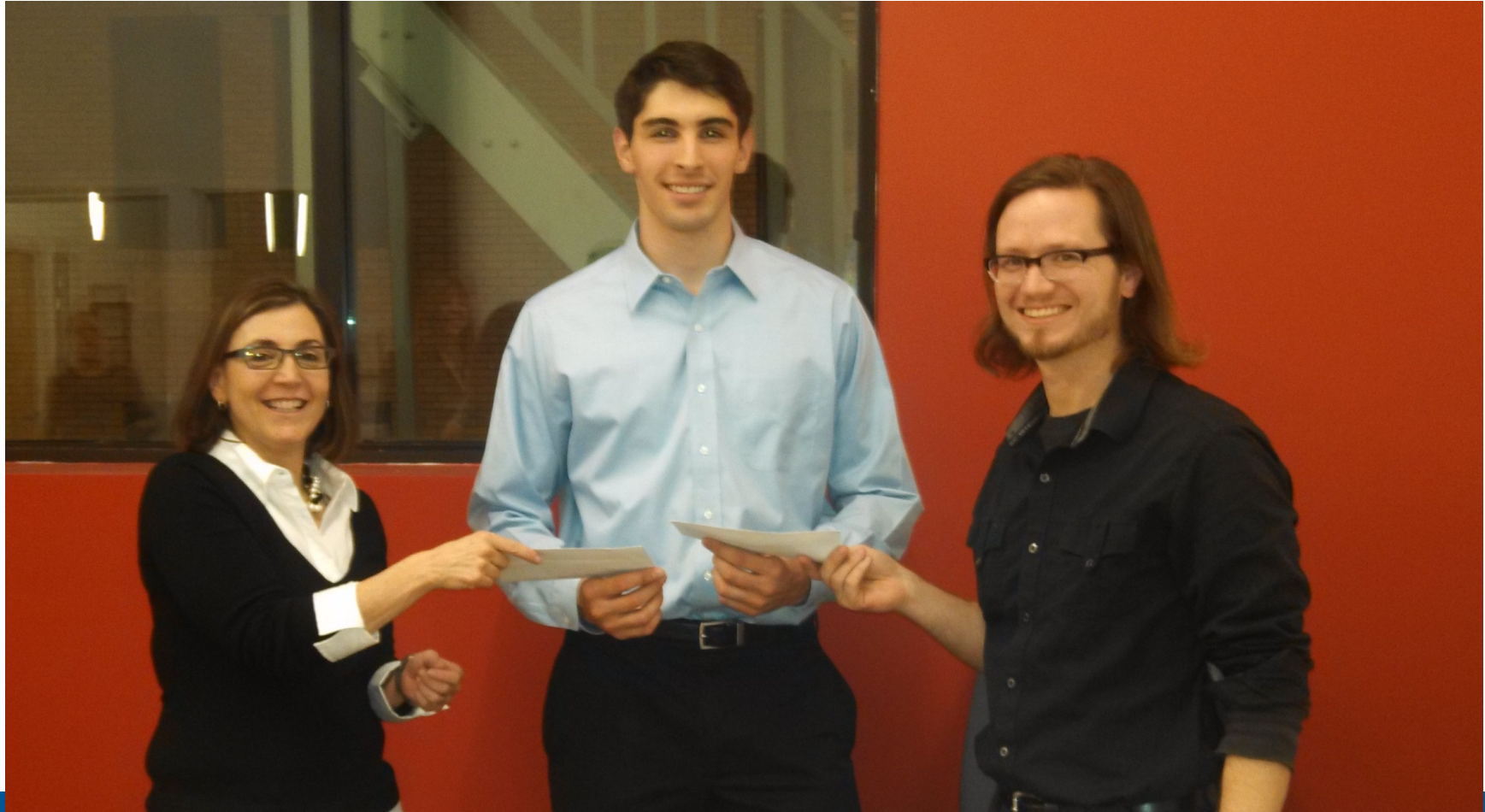


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Funding



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Educational Sessions



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Mentors & Advisors



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Network, Community & Collaboration



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Demo Day & Sneak Peak




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Gear Results

For cycles 1 -4

 90%

 Raised Follow on
Funding

 50%

 Received Innovation
Works Funding

 \$15M+

 Raised Post ALGear

 100%

 Paying Customers

What do accelerators look for?

- Able to have a fundable plan by program end
- Unique, compelling solution with strong market potential
- Capital efficiency - ability to achieve significant milestones in short period of time
- Passion, commitment and capabilities of the team

Want More Info? Contact Us

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